

**CONFERENCE COMMITTEE REPORT  
DIGEST FOR ESB 561**

**Citations Affected:** IC 12-17.6-1-2.6.

**Synopsis:** Health. Provides that a county's share of local option income taxes and motor vehicle excise taxes will not change as a result of the repeal of the hospital care for the indigent property tax levy and the imposition of the uninsured parents program property tax levy. Establishes the uninsured parent's program within the office of the secretary of family and social services to provide health insurance coverage to certain uninsured individuals. Provides eligibility requirements. Specifies that providers enrolled under the Medicaid program are considered providers for the program. Repeals the hospital care for the indigent (HCI) program, except for the local property tax levy authorization. Provides for funding of the uninsured parents program, including proceeds from the HCI property tax levies. Makes changes to the Medicaid disproportionate share hospital payment structure. (This conference committee report: (1) deletes provisions concerning: (a) respiratory care therapy; (b) review of proposed Medicaid rule changes by the select joint committee on Medicaid oversight; (c) Medicaid coverage of weight loss drugs and certain other drugs meeting specified federal requirements; (d) the adoption of rules and standards for the Medicaid adult foster care and assisted living waiver; (2) makes refinements to the funding and programmatic elements of the uninsured parents program; and (3) makes technical changes.)

**Effective:** Upon passage.

# CONFERENCE COMMITTEE REPORT

**MR. PRESIDENT:**

*Your Conference Committee appointed to confer with a like committee from the House upon Engrossed House Amendments to Engrossed Senate Bill No. 561 respectfully reports that said two committees have conferred and agreed as follows to wit:*

that the Senate recede from its dissent from all House amendments and that the Senate now concur in all House amendments to the bill and that the bill be further amended as follows:

- 1       Page 3, line 1, delete "the uninsured" and insert "**Medicaid policy**
- 2       **and planning**".
- 3       Page 3, line 2, delete "parents program".
- 4       Page 3, line 2, delete "IC 12-17.7-2-7." and insert "**IC 12-17.7-2-6 to**
- 5       **implement the uninsured parents program.**".
- 6       Page 3, delete lines 3 through 6.
- 7       Page 4, delete lines 15 through 42.
- 8       Page 5, delete lines 1 through 35.
- 9       Page 17, line 1, delete "IC 12-7-2-24.5" and insert "IC 12-7-2-24.7".
- 10      Page 17, line 3, delete "24.5." and insert "**24.7.**".
- 11      Page 17, line 11, after "IC 12-7-2-69" insert ", AS AMENDED BY
- 12      HEA 1913-2001,".
- 13      Page 17, line 12, delete "2003]" and insert "2002]".
- 14      Page 17, line 42, after "health" insert in roman "and addiction".
- 15      Page 18, line 13, delete "JUNE 30," and insert "JULY 1,".
- 16      Page 18, line 23, reset in roman "(7)".
- 17      Page 18, line 23, after "IC 12-16-3." insert "**IC 12-16.1-3.**".
- 18      Page 18, line 24, reset in roman "(8)".
- 19      Page 18, line 24, delete "(7)".
- 20      Page 18, line 25, reset in roman "(9)".
- 21      Page 18, line 25, delete "(8)".
- 22      Page 18, line 41, delete "JUNE 30," and insert "JULY 1,".

- 1 Page 19, line 8, reset in roman "(7)".
- 2 Page 19, line 8, after "IC 12-16-3." insert **"IC 12-16.1-3."**.
- 3 Page 19, line 9, reset in roman "(8)".
- 4 Page 19, line 9, delete "(7)".
- 5 Page 19, line 10, reset in roman "(9)".
- 6 Page 19, line 10, delete "(8)".
- 7 Page 19, line 13, delete "2003]" and insert "2002]".
- 8 Page 20, line 26, delete "2003]" and insert "2002]".
- 9 Page 20, delete lines 37 through 42.
- 10 Page 21, delete lines 1 through 3.
- 11 Page 21, line 32, after "IC 12-15-16" insert ", **IC 12-15-17,"**.
- 12 Page 21, line 41, delete "distribute" and insert **"allocate"**.
- 13 Page 22, line 4, after "IC 12-15-16" insert ", **IC 12-15-17,"**.
- 14 Page 22, line 10, after "STEP" insert **"to a hospital established and**
- 15 **operated under IC 16-22-8"**.
- 16 Page 22, line 41, delete "part" and insert **"portion"**.
- 17 Page 22, line 42, after "program" insert **"as provided"**.
- 18 Page 23, line 11, after "to" insert **"the"**.
- 19 Page 23, line 11, after "other" insert **"eligible"**.
- 20 Page 23, line 13, delete "." and insert ", **at which time the**
- 21 **remaining portion of the payments due to the eligible hospitals**
- 22 **shall be made."**.
- 23 Page 23, line 22, delete "one hundred fifty percent (150%)" and
- 24 insert **"percentage"**.
- 25 Page 23, line 25, after "to the" insert **"excluded"**.
- 26 Page 23, line 25, delete "one hundred fifty percent (150%)" and
- 27 insert **"percentage"**.
- 28 Page 23, line 26, delete "may" and insert **"does"**.
- 29 Page 23, line 31, after "the" insert **"calculation of the"**.
- 30 Page 23, line 32, delete "an amount" and insert **"a percentage"**.
- 31 Page 23, line 33, delete "but more than one".
- 32 Page 23, line 34, delete "hundred percent (100%)".
- 33 Page 23, line 39, delete "(e) and (f)" and insert **"(e), (f), (g), and**
- 34 **(h),"**.
- 35 Page 24, line 1, delete "Total" and insert **"Subject to subsections (e),**
- 36 **(f), (g), and (h), total"**.
- 37 Page 24, line 5, delete "and" and insert ".".
- 38 Page 24, delete line 6.
- 39 Page 24, line 31, delete "to the Medicaid program".
- 40 Page 24, line 32, delete "constitute" and insert **"must be used for"**.
- 41 Page 24, line 42, after "2003," insert **"and funds are transferred**
- 42 **under IC 12-16-14.1-3,"**.
- 43 Page 25, line 4, delete "of the uninsured parents program established
- 44 by".
- 45 Page 25, line 5, delete "IC 12-17.7-2-1".
- 46 Page 25, line 6, delete "for state fiscal".
- 47 Page 25, line 7, delete "years ending after June 30, 2003,".
- 48 Page 25, line 8, delete "." and insert **"for state fiscal years ending**
- 49 **after June 30, 2003."**.
- 50 Page 25, between lines 8 and 9, begin a new paragraph and insert:

1       **"(h) If funds are transferred under IC 12-17.7-9-2, those funds**  
 2       **shall be used for the state's share of payments to hospitals under**  
 3       **this subsection. A payment under this subsection shall be made to**  
 4       **all hospitals that received a payment under this section for the**  
 5       **state fiscal year beginning July 1, 2001, and ending June 30, 2002.**  
 6       **Payments under this subsection shall be in proportion to each**  
 7       **hospital's payment under this section for the state fiscal year**  
 8       **beginning July 1, 2001, and ending June 30, 2002."**

9       Page 26, line 7, delete "JUNE 30," and insert "JULY 1,".

10      Page 30, line 9, delete "of the uninsured parents program".

11      Page 30, line 10, delete "established under IC 12-17.7-2-1".

12      Page 30, line 17, after "methodology" insert "**which shall be**".

13      Page 30, between lines 18 and 19, begin a new line double block  
 14      indented and insert:

15               **"(D) If funds are transferred under IC 12-17.7-9-2 or**  
 16               **IC 12-17.8-2-4(c) to the Medicaid indigent care trust fund,**  
 17               **the funds shall be used to fund the state's share of Medicaid**  
 18               **add-on payments to hospitals licensed under IC 16-21 under**  
 19               **a payment methodology which the office shall develop."**

20      Page 30, line 29, delete "imposed".

21      Page 30, line 39, delete "imposed".

22      Page 30, line 42, delete "imposed".

23      Page 31, line 11, delete "impose" and insert "**have**".

24      Page 31, line 13, delete "imposed".

25      Page 31, line 24, delete "imposed".

26      Page 31, line 27, delete "imposed".

27      Page 31, line 38, delete "impose" and insert "**have**".

28      Page 31, line 40, delete "imposed".

29      Page 32, line 9, delete "imposed".

30      Page 32, line 12, delete "imposed".

31      Page 32, line 29, after "IC 12-16-14-1(1)" insert "**that are first due**  
 32      **and payable in calendar year 2002 or earlier,"**

33      Page 32, line 30, delete "that are first due and payable" and insert "**in**  
 34      **calendar year 2002 or earlier,"**

35      Page 32, line 31, delete "before July 1, 2002,".

36      Page 32, line 36, delete "Beginning July 1, 2002, all" and insert  
 37      **"All"**.

38      Page 32, line 37, after "IC 12-16-14-1(1)" insert "**that are first due**  
 39      **and payable after calendar year 2002,"**

40      Page 32, line 38, delete "that are first due and payable".

41      Page 32, line 38, delete "June 30, 2002," insert "**calendar year**  
 42      **2002,"**

43      Page 33, line 2, delete "2(e)" and insert "**2(d)**".

44      Page 33, line 5, after "(e)," insert "**and subject to the requirements**  
 45      **of IC 12-15-15-9(b) regarding appropriations from the state**  
 46      **hospital care for the indigent fund for Medicaid current**  
 47      **obligations,"**

48      Page 33, line 8, delete "that were first due and payable".

49      Page 33, line 9, delete "before July 1, 2002,".

50      Page 33, line 30, delete "of Medicaid".

51      Page 33, line 31, delete "policy and planning established under

- 1 IC 12-15-1-1".
- 2 Page 33, line 41, after "(d)" insert "**and IC 12-16.1**".
- 3 Page 34, line 5, delete "to the Medicaid program".
- 4 Page 34, line 6, after "." insert "**Subject to the operation of sections**
- 5 **5 and 6 of this chapter, amounts deposited in the state hospital care**
- 6 **for the indigent fund under IC 12-16.1 are not subject to this**
- 7 **subsection.**".
- 8 Page 34, line 10, delete "of the uninsured parents program".
- 9 Page 34, line 11, delete "established by IC 12-17.7-2-1".
- 10 Page 34, line 12, after "program" insert "**as provided for in**
- 11 **IC 12-17.7**".
- 12 Page 34, line 27, delete "to the Medicaid indigent care trust".
- 13 Page 34, line 28, delete "fund".
- 14 Page 34, line 34, delete "IC 12-16-14-6(b)," and insert "**IC**
- 15 **12-16-14,**".
- 16 Page 34, line 37, delete "of the uninsured parents program".
- 17 Page 34, line 38, delete "established by IC 12-17.7-2-1".
- 18 Page 35, line 2, after "fund" insert "**for use as provided in section**
- 19 **2 of this chapter**".
- 20 Page 35, line 4, delete "and".
- 21 Page 35, line 8, delete "." and insert "; **and**
- 22 **(4) all funds deposited in the state hospital care for the indigent**
- 23 **fund shall be used as provided in section 2 of this chapter.**".
- 24 Page 35, line 14, after "fund" insert "**for use as provided in section**
- 25 **2 of this chapter**".
- 26 Page 35, line 16, delete "and".
- 27 Page 35, line 19, delete "." and insert "; **and**
- 28 **(4) all funds deposited in the state hospital care for the indigent**
- 29 **fund shall be used as provided in section 2 of this chapter.**".
- 30 Page 35, line 26, delete "of the uninsured parents program
- 31 established by".
- 32 Page 35, line 27, delete "IC 12-17.7-2-1".
- 33 Page 35, line 31, delete "of the uninsured parents program
- 34 established by".
- 35 Page 35, line 32, delete "IC 12-17.7-2-1".
- 36 Page 41, line 27, delete "." and insert "**and are not subject to**
- 37 **IC 12-16.1-3, IC 12-16.1-4, and IC 12-16.1-5.**".
- 38 Page 44, line 9, delete "." and insert "**under this article.**".
- 39 Page 44, delete lines 10 through 11.
- 40 Page 44, line 12, delete "(b)" and insert "**Sec. 3. (a)**".
- 41 Page 44, between lines 15 and 16, begin a new paragraph and insert:
- 42 "**(b) If the state hospital care for the indigent fund is closed under**
- 43 **IC 12-16-14.1-2(d), a new state hospital care for the indigent fund**
- 44 **is established under this article.**".
- 45 Page 44, line 16, delete "The" and insert "**Subject to**
- 46 **IC 12-16-14.1-5(4) and IC 12-16-14.1-6(4), the**".
- 47 Page 44, line 16, after "fund" insert "**under this article**".
- 48 Page 44, line 41, delete "IC 12-16-14-3," and insert "**as added by**
- 49 **SEA 561-2001, IC 12-16-14-3,**".
- 50 Page 44, line 42, delete "operation" and insert "**application**".

Page 45, line 1, delete "the preceding year is considered to be calendar" and insert **"the hospital care for the indigent property tax imposed by a county shall be equal to the tax the county would be imposing under IC 12-16-14-3 in the state fiscal year this article initially applies if SEA 561-2001 had not amended IC 12-16-14-3 or added IC 12-16-14-3.4 and IC 12-16-14-3.7."**

Page 45, delete line 2.

Page 45, between lines 37 and 38, begin a new paragraph and insert:  
 "SECTION 34. IC 12-17.6-1-2.6, AS ADDED BY P.L.95-2000, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2.6. "Emergency" means a medical condition that ~~arises suddenly and unexpectedly~~ and manifests itself by acute symptoms of such severity, including severe pain, that the absence of immediate medical attention could reasonably be expected by a prudent lay person who possesses an average knowledge of health and medicine to:

- (1) place an individual's health in serious jeopardy;
- (2) result in serious impairment to the individual's bodily functions; or
- (3) result in serious dysfunction of a bodily organ or part of the individual."

Page 46, line 30, delete "the uninsured parents" and insert **"Medicaid policy and planning established by IC 12-8-6-1."**

Page 46, delete line 31.

Page 46, delete lines 35 through 37.

Page 46, line 38, delete "2." and insert **"1."**

Page 46, line 41, delete "3." and insert **"2."**

Page 47, line 6, delete "4." and insert **"3."**

Page 47, line 27, delete "6." and insert **"5."**

Page 47, line 33, delete "7." and insert **"6."**

Page 47, line 37, delete "8." and insert **"7."**

Page 48, line 8, delete ";".

Page 48, run in lines 8 through 9.

Page 48, line 27, after "biological" insert **"or adoptive"**.

Page 48, line 28, after "biological" insert **"or adoptive"**.

Page 48, line 28, after "spouse" insert **"if the parent is incapacitated"**.

Page 48, line 30, after "child" insert **"or is a grandparent of the child"**.

Page 48, delete lines 37 through 39.

Page 48, line 40, delete "(2)" and insert **"(1)"**.

Page 49, line 2, delete "(3)" and insert **"(2)"**.

Page 50, line 32, delete "uninsured parents".

Page 50, line 32, after "program" insert **"established under this article"**.

Page 52, line 34, delete "terminates" and insert **"shall terminate"**.

Page 53, line 7, after "." insert **"Any remaining funds attributable to taxes levied under IC 12-16-14-1(1) or allocated under IC 12-16-14-1(2) shall be transferred from the fund for use as the state's share of payments under IC 12-15-15-9(h). Any remaining**

1 **funds attributable to transfers from the Medicaid indigent care**  
 2 **trust fund under IC 12-15-20-2(5) shall be transferred from the**  
 3 **state uninsured parents program fund for use as the state's share**  
 4 **of payments under IC 12-15-20-2(5)(D).".**

5 Page 53, line 11, delete "TAX".

6 Page 53, line 13, delete "County".

7 Page 53, line 24, delete "uninsured parents program" and insert  
 8 **"hospital care for the indigent".**

9 Page 53, line 30, delete "uninsured parents program" and insert  
 10 **"hospital care for the indigent".**

11 Page 54, line 2, after "Any" insert **"voluntary".**

12 Page 54, line 2, delete "from any source" and insert **"to the fund".**

13 Page 54, line 6, delete "of the uninsured parents program  
 14 established".

15 Page 54, line 7, delete "by IC 12-17.7-2-1".

16 Page 54, line 12, delete "Money" and insert **"Subject to subsections**  
 17 **(c) and (d), money".**

18 Page 54, between lines 23 and 24, begin a new paragraph and insert:  
 19 **"(c) At the end of a state fiscal year, the office shall do the**  
 20 **following:**

21 **(1) Determine the sums on deposit in the state uninsured**  
 22 **parents program fund.**

23 **(2) Calculate a reasonable estimate of the sums to be**  
 24 **transferred to the state uninsured parents program fund**  
 25 **during the next state fiscal year, taking into consideration the**  
 26 **timing of the transfers.**

27 **(3) Calculate a reasonable estimate of the expenses to be paid**  
 28 **by the program during the next state fiscal year, taking into**  
 29 **consideration the likely number of enrollees in the program**  
 30 **during the next state fiscal year.**

31 **(d) If the amount on deposit in the state uninsured parents**  
 32 **program fund at the end of a state fiscal year, combined with the**  
 33 **estimated amount of transfers of funds into the fund during the**  
 34 **next state fiscal year, exceeds the estimate of the expenses to be**  
 35 **paid by the program during the next state fiscal year, then a sum**  
 36 **equal to the excess amount shall be transferred from the funds on**  
 37 **deposit in the state uninsured parents program fund at the end of**  
 38 **the state fiscal year to the Medicaid indigent care trust fund for**  
 39 **purposes of IC 12-15-20-2(5)(D).".**

40 Page 54, line 24, delete "of the uninsured parents program".

41 Page 54, line 25, delete "established by IC 12-17.7-2-1".

42 Page 55, delete lines 9 through 42.

43 Page 56, delete lines 1 through 38.

44 Page 57, delete lines 34 through 35.

45 Page 57, delete lines 41 through 42.

46 Delete page 58.

47 Page 59, delete lines 1 through 24.

48 Page 59, line 36, delete "The" and insert **"If necessary, the".**

49 Page 59, line 40, delete "nonentitlement Medicaid" and insert  
 50 **"non-open ended entitlement program that takes into consideration**  
 51 **the fact that enrollment levels must be adjusted to prevent state**

- 1       **expenditures beyond revenues dedicated to fund the program."**
- 2       Page 59, delete line 41.
- 3       Page 60, line 31, delete "by June 30, 2003:" and insert "**before July**
- 4       **1, 2003,"**.
- 5       Page 60, line 32, delete "(1)".
- 6       Page 60, line 33, delete ";" and insert ".".
- 7       Page 60, run in lines 31 through 33.
- 8       Page 60, delete lines 34 through 39.
- 9       Page 60, delete lines 41 through 42.
- 10      Page 61, delete lines 1 through 17.
- 11      Renumber all SECTIONS consecutively.  
(Reference is to ESB 561 as reprinted April 12, 2001.)



**Conference Committee Report**  
**on**  
**Engrossed Senate Bill 561**

**S**igned by:

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Senator Johnson  
Chairperson

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Representative Crawford

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Senator Simpson

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Representative Friend

**Senate Conferees**

**House Conferees**